

DIVISION OF MEDICAL SERVICES

STRATEGIC PLAN 2005

Excerpted from the Department of Social Services Strategic Plan 2005
<http://dss.missouri.gov/splan05>



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Dear Reader:

Traditionally, strategic plans have been viewed as an accountability device. The Department of Social Services (DSS) has elevated this document to be a management tool for ongoing dialogue with divisional management on progress toward departmental goals. This document is also viewed as a communication tool to the public to discuss issues facing the department and our solutions. Using the plan for accountability, management, and communication provides for a dynamic document that continues to evolve over time.

I hope the information contained herein will inform all who are interested in how the Division of Medical Services has prioritized our goals and objectives to serve needy citizens of the state. Please visit <http://dss.missouri.gov/splan05/> to view the entire DSS Strategic Plan.

Any questions pertaining to this report should be directed to the Division of Medical Services at 573/751-6922.

Sincerely,

Q. Michael Ditmore, M.D.
Interim Director

QMD:kl

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Missourians receive health care in the least restrictive setting.

Measure: Decrease nursing home utilization by Medicaid eligible seniors and persons with disabilities from 14.4% in SFY-2003 to 14.3% in SFY-2005.

Why is this measure important?

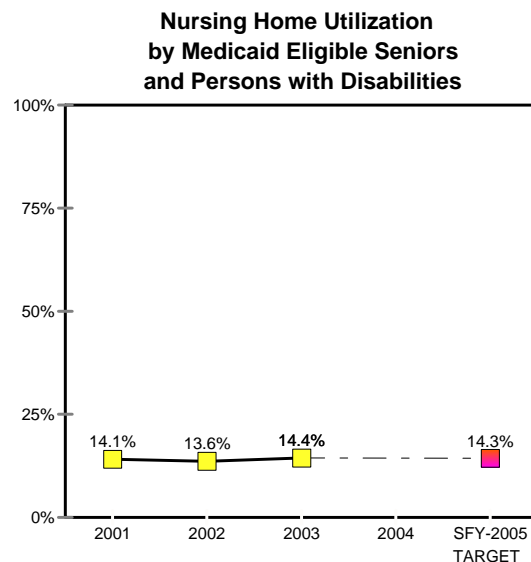
- On June 22, 1999, the Supreme Court decided the case of *Olmstead versus L.C.* (119 S.Ct. 2176, 144 L.ED 2d 540). The decision clarified that states are required to provide services and treatment in the least restrictive setting appropriate to their needs for people with disabilities when the state's treatment professionals determine that such placement is appropriate, affected persons do not oppose such treatment and placement can be reasonably accommodated, taking into account the resources available to the state and the needs of others with disabilities.

On April 18, 2000, Governor Carnahan signed an Executive Order 00-09 to establish the Home and Community-Based Services and Consumer-Directed Care Commission. The objective of the commission was to develop a "comprehensive, effectively, working plan" as recommended by the U.S. Supreme Court.

On April 10, 2001, Governor Holden issued Executive Order 01-08 establishing the Personal Independence Commission to implement the recommendations of the original commission and advance Missouri's compliance with the US Supreme Court decision.

Trend Analysis:

- Nursing home utilization by Medicaid eligible seniors and persons with disabilities has fluctuated between 13.6% and 14.4% from SFY-2001 to SFY-2003.

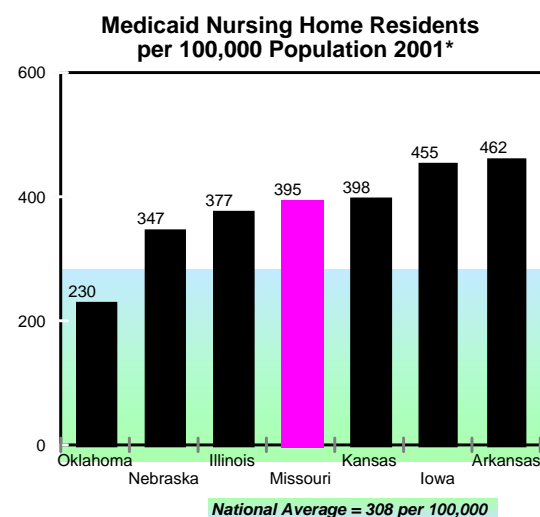


Factors Influencing the Measure:

- Availability of Medicaid enrolled providers with open panels who are accepting additional Medicaid patients
- The percentage of recipients who are fragile elderly, or have specific severe chronic conditions or diagnoses of congestive heart failure (CHF), pneumonia, diabetes or angina
- The percentage of recipients who have functional limitations indicated by a need for assistance with two or more of the six basic activities of daily life

How Missouri Compares to Surrounding States:

- Among surrounding states Missouri ranks in the middle for Medicaid nursing home recipients per 100,000 population. Missouri was 28% higher than the national average.



Source: Nursing Facilities, Staffing, Residents, and Facility Deficiencies
*This is latest year national data was available.

Strategies:

- Work with the Department of Health and Senior Services (DHSS) and Personal Independence Commission (PIC) to develop outreach materials and training on providing informed choice about long term care options.
- Make training available to hospital discharge planners regarding community options by incorporating it in the Informed Choice Training program.
- Plan a process that would allow an individual who is discharged from the hospital to a nursing home (for recovery) to maintain existing community supports to ensure best possible chance of returning to the community.
- Work to make program modifications that allow an array of options which support consumer choice in community based service delivery.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Missourians receive health care in the least restrictive setting.

Measure: The percentage of uninsured Missourians remains below 12%.

Why is this measure important?

- Missouri's 1115 Waiver, known as Managed Care Plus (MC+), expanded Medicaid eligibility in September 1, 1998. A few of the goals of MC+ are to reduce the number of people without health insurance coverage, improve the health of medically uninsured people and increase the number of children, youth and families who have medical insurance coverage.

Some reasons why insurance matters:

- The uninsured are less likely to have a usual source of care outside the emergency room.
- The uninsured often go without screenings and preventive care.
- The uninsured often delay or forgo needed medical care.
- The uninsured are often subject to avoidable hospital stays.
- The uninsured are sicker and die earlier than those with insurance.
- Medical care is more costly for the uninsured than for the insured.

Trend Analysis:

- Based upon three-year averages, Missouri has been under the 12% threshold since the 1997-1999 period.

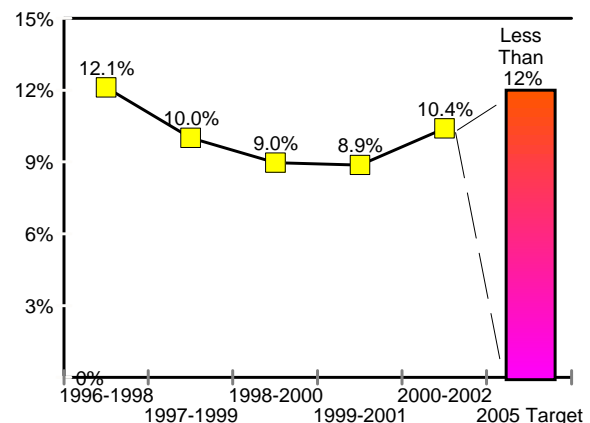
Factors Influencing the Measure:

- Continued funding for Missouri's 1115 Waiver
- The unemployment rate
- The rate of usage of continuation of coverage under Title I of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- The number of Missouri employers offering affordable medical coverage to their employees

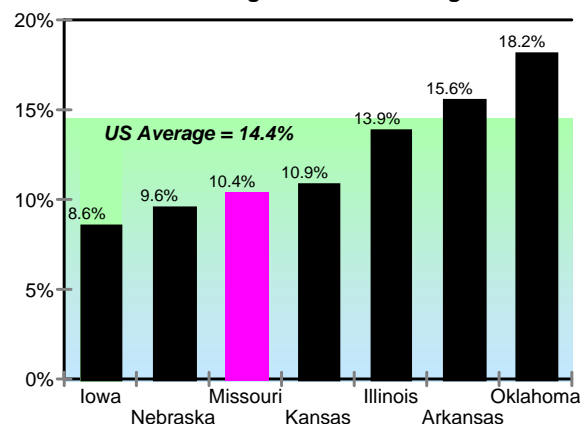
How Missouri Compares to Surrounding States:

- Missouri ranks 13th lowest in the country in terms of percentage of the population that is uninsured. Among surrounding states for the most current available three-year period, 2000-2002, Missouri has the third lowest percentage of citizens uninsured at 10.4%. This is 4.0% less than the national average during the same time period.

Percent of Missourians Without Health Insurance, Three Year Averages



Percent of Persons Without Health Insurance in Surrounding States Using 2000-2002 Average



Strategies:

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust, to provide outreach and enrollment.
- Purchase cost effective health insurance policies for Medicaid recipients through the Health Insurance Premium Payment Program.
- Continue to work with community groups, local medical providers, health care associations, schools, etc., regarding access to Medicaid coverage.
- Continue to work with MC+ managed care health plans to provide outreach and education to communities regarding access to MC+ coverage.
- Increase the income guideline for Medical Assistance to 100% of the federal poverty level (FPL) from 90% FPL for elderly, disabled and blind as required by state statute.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better coordination of access to care for chronically ill Medicaid/MC+ recipients.

Measure: Increase the number of Medicaid providers trained in treating chronic conditions (disease management) from 328 in SFY-2003 to 900 in SFY-2005.

Why is this measure important?

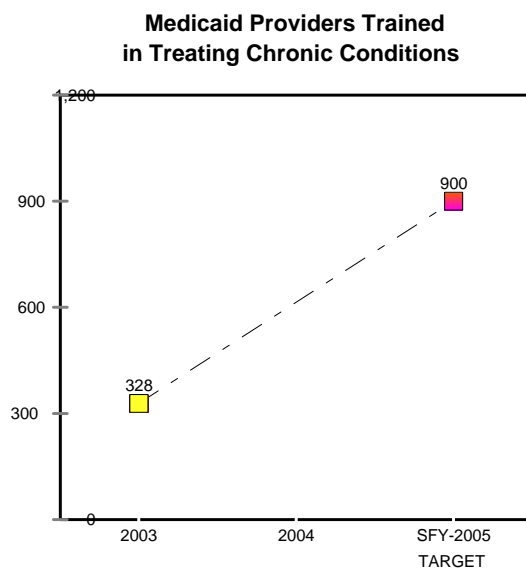
- The cost of health care continues to increase dramatically due to industry increases in the health care cost per individual, utilization of health care services and the number of individuals accessing these services. Proper management through a disease management program provides the state with accountability, cost sharing and quality health care.

Trend Analysis:

- This is a new program so data prior to SFY-2003 is not available.

Factors Influencing the Measure:

- Backlog in enrollment of providers
- Physicians electing not to enroll as Medicaid providers
- Lack of understanding of disease state management tenets by providers
- Additional paperwork and additional requirements on office staff



How Missouri Compares to Surrounding States:

- Comparable data from surrounding states is not available.

Strategies:

- Identify providers currently serving the targeted population to invite them to participate in disease management.
- Make personal visits with providers to explain the program and assist with enrollment paperwork.
- Focus on clinical benefits of their participation as well as showing providers the financial incentives.
- Reinforce clinical areas for improvement and provide clinical education where appropriate.
- Dedicated help desk for provider support.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better coordination of access to care for chronically ill Medicaid/MC+ recipients.

Measure: Increase the overall number of Medicaid/MC+ recipients in a disease management program from 375 in SFY-2003 to 2,500 in SFY-2005.

Why is this measure important?

- The cost of health care continues to increase dramatically due to an industry increase in the health care cost per individual, utilization of health care services and the number of individuals accessing these services. Proper management through a disease management program provides the state with accountability, cost savings and quality health care.

Trend Analysis:

- Prior to 2003 a disease management plan was not in operation.

Factors Influencing the Measure:

- Program is voluntary, so a low response rate from recipients
- Primary care provider is not an enrolled provider
- Education of recipients on the value of the program

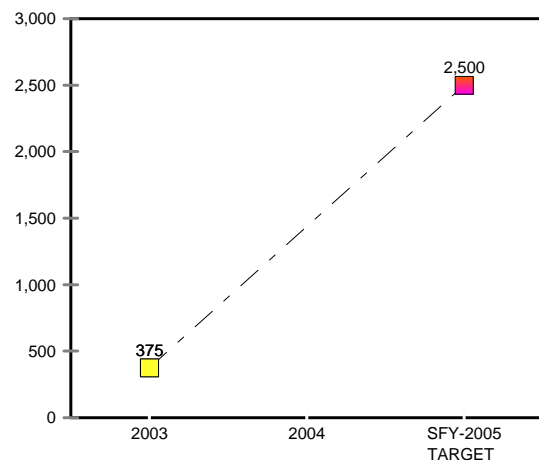
How Missouri Compares to Surrounding States:

- Comparable data from other states is not available.

Strategies:

- Continue statewide identification of recipients with targeted disease states.
- Continue outreach efforts through recipient mailings and direct promotion by their current practitioners.
- Dedicated help desk for recipient support.

Medicaid/MC+ Recipients in a Disease Management Program



Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better care management for Medicaid/MC+ recipients.

Measure: Decrease hospitalization rate for Medicaid eligible seniors and persons with disabilities from 3.8% in SFY-2003 to 3.7% in SFY-2005.

Why is this measure important?

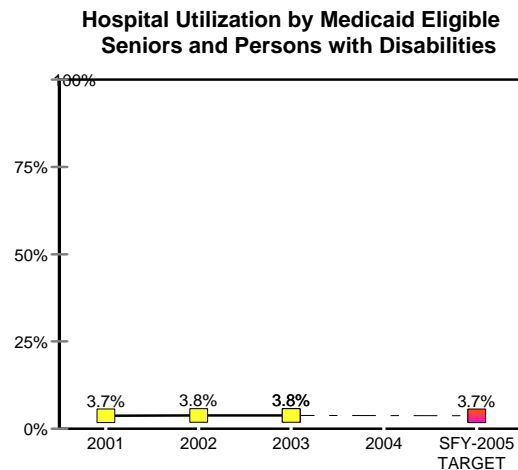
- The Medicaid elderly and persons with disabilities populations make up approximately 60% of fee-for-service hospital expenditures. Spending for hospital services is expected to increase as the population ages and the persons with disabilities population increases each year.

Trend Analysis:

- Over the last three years the trend has been relatively flat.

Factors Influencing the Measure:

- Availability of Medicaid enrolled providers with open panels who are accepting additional Medicaid patients
- Increase in the percentage of recipients who are fragile elderly, have specific severe chronic conditions or diagnoses of congestive heart failure (CHF), pneumonia, diabetes or angina
- Increase in the percentage of recipients whose functional limitations indicated by a need for assistance with two or more of the six basic activities of daily life



How Missouri Compares to Surrounding States:

- Comparable data from surrounding states is not available.

Strategies:

- Identify, develop and analyze processes with stakeholders for the Medicaid seniors and disabled population to determine, measure and monitor recipient population health status.
- Identify, assess and monitor the impact of barriers to care resulting in increased hospitalizations by analyzing feedback from recipients and providers.
- Identify utilization baseline and population cohorts of high volume users and providers.
- Develop and utilize measures to analyze health outcomes.
- Implement time line for removal or amelioration of barriers to improved health status.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better care management for Medicaid/MC+ recipients.

Measure: Better management of counseling services through reviewing and approving appropriate counseling units. The approved units of service are expected to change from 2.4 million in SFY-2003 to 2.2 million in SFY-2005.

Why is this measure important?

- Better management of counseling is needed to ensure the appropriate utilization of these services.

Trend Analysis:

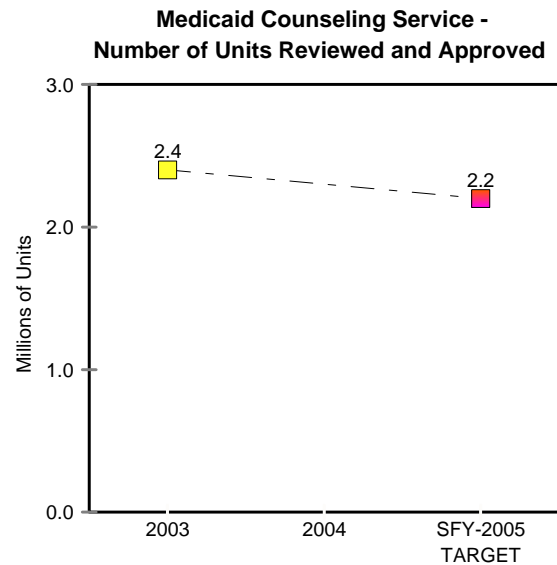
- Historical data is not available so a trend analysis is not provided.

Factors Influencing the Measure:

- Increase in the number of recipients who have mental health/substance abuse diagnoses
- Decrease in the number of respite care services
- Increase in the number of acute psychiatric/substance abuse admissions

How Missouri Compares to Surrounding States:

- Comparable data from surrounding states is not available.



Strategies:

- Develop a process by which services are rendered based on the diagnosis or assessment and approved for a specific amount and duration of services.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better care management for Medicaid/MC+ recipients.

Measure: Hold the increase in pharmacy cost per eligible to the lesser of 10% growth, or 3% below the national average growth.

Why is this measure important?

- Increases in pharmacy costs continue to grow at a higher rate than other medical costs.

Trend Analysis:

- Pharmacy percentage increase doubled between SFY-2001 and SFY-2002 and then fell to SFY-2001 level.

Factors Influencing the Measure:

- Ability to implement a preferred drug list and continue existing cost containment strategies

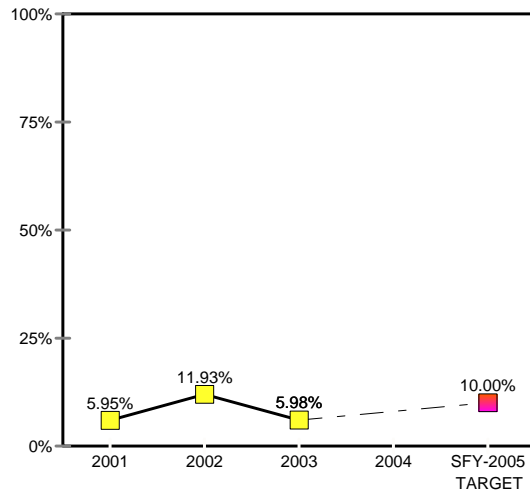
How Missouri Compares to the Nation:

- Missouri's annual increase in pharmacy cost continues to be below the national average.

Strategies:

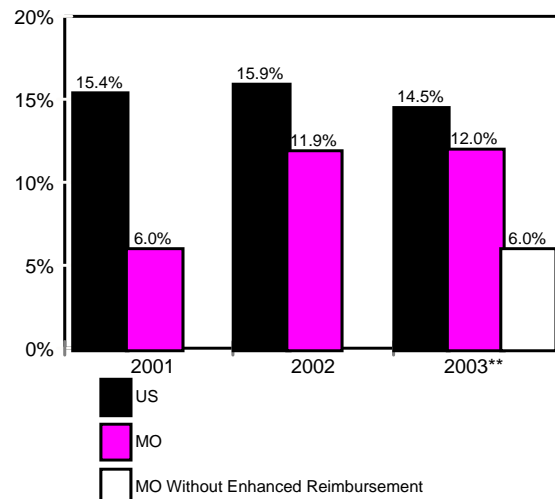
- Continue review update and implementation of new maximum allowable costs for drug products.
- Continue implementation of clinical edits, prior authorization and step therapy.
- Initiate a preferred drug list with accompanying supplemental rebates.

**Percentage Increase in Pharmacy Expenditures
(Average Per Eligible Per Month)***



*Based on 2003 3% below the national average would be 11.5%. 10% greater was used as the target because it is less than the national average less 3%.

Annual Percentage Increase in Pharmacy Costs



**In SFY-2003 pharmacy payments were increased using pharmacy tax as the source of funding.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better care management for Medicaid/MC+ recipients.

Measure: Decrease the Medicaid claim denial rate in SFY-2003 from 19.75% to 17.5% in SFY-2005.

Why is this measure important?

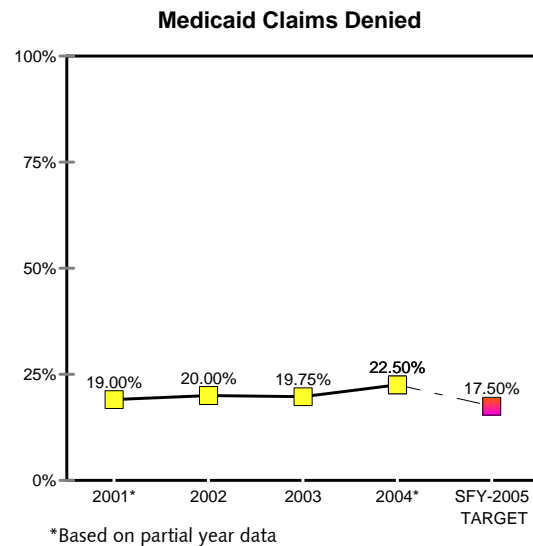
- For most providers, Medicaid reimbursement is low. It is important that providers receive reimbursement the first time claims are submitted. To resubmit claims over and over can be costly for providers. If providers receive payment in a timely manner, they can focus on patient care and often are more willing to accept new Medicaid patients.

Trend Analysis:

- Historical data for SFY-2001 through SFY-2003 shows little change in the direction of the measure. In SFY-2004 (first 6 months) the percentage has increased by 2.5%.

Factors Influencing the Measure:

- Implementation of Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Paper bulletins no longer mailed
- Lack of provider education staff
- Limitation of provider seminars held statewide
- Internet capability in provider offices



How Missouri Compares to Surrounding States:

- Comparable data for surrounding states is not available.

Strategies:

- Evaluate edits causing the largest denials.
- Post on the Internet the most common billing errors and how to avoid them.
- Conduct provider education seminars.
- Assure provider manuals are updated timely.
- Encourage electronic billing.

Key Focus Area: Strengthen Health Care Coverage and Access

Goal: Better care management for Medicaid/MC+ recipients.

Measure: Reduce the backlog of Medicaid provider enrollment applications from the current level of 110 days to 70 days in SFY-2005.

Why is this measure important?

- Become a better business partner with Medicaid providers by streamlining the enrollment process for efficient and increased business satisfaction.

Trend Analysis:

- Historical data is not available so a trend analysis is not provided.

Factors Influencing the Measure:

- Increase in the number of submitted inaccurate or incomplete applications
- Decrease in staffing levels

How Missouri Compares to Surrounding States:

- Comparable data for surrounding states is not available.

Strategies:

- Eliminate manual processing of provider forms by implementing automated processes.
- Maintain maximum unit staffing.

